Governement of
Saskatchewan

Financial Statement
2002-2003

Northlands College

For the fiscal year ending
June 30, 2003

Saskatchewan
Our Future is Wide Open

104-00716/

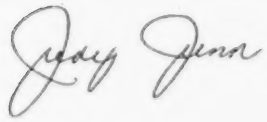
Letter of Transmittal

The Honourable Dr. Lynda M. Haverstock
Lieutenant Governor of Saskatchewan
Province of Saskatchewan

Your Honour:

I have the honour to submit for your consideration the Financial Statements of the Northlands College for the year ending June 30, 2003.

Respectfully submitted,



Judy Junor
Minister of Learning

MEYERS NORRIS PENNY LLP

AUDITORS' REPORT

To: The Directors of Northlands College

We have audited the statement of financial position of Northlands College as at June 30, 2003 and the statements of operations, changes in net assets and cash flows for the year then ended. The College is responsible for preparing these financial statements for the Treasury Board's approval. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the College as at June 30, 2003 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Meyers Norris Penny LLP

Chartered Accountants
Prince Albert, Saskatchewan
August 31, 2003

Northlands College
Statement of Financial Position
as at June 30, 2003

	2003			2002
	Operating	Capital	Total	Total
Assets				
Current Assets				
Cash	$ 3,206,186	$ -	$ 3,206,186	$ 2,960,759
Accounts receivable (note 3)	990,065	-	990,065	807,040
Prepaid expenses	43,346	-	43,346	35,304
	4,239,598	-	4,239,598	3,803,103
Non-current Assets				
Capital Assets (note 4)	-	2,608,288	2,608,288	2,230,945
	$ 4,239,598	$ 2,608,288	$ 6,847,886	$ 6,034,048
Liabilities				
Current Liabilities				
Accrued salaries and benefits	$ 478,280	$ -	$ 478,280	$ 642,198
Accounts payable & accrued liabilities (note 5)	768,844	-	768,844	459,363
Unearned revenue (note 6)	1,556,204	-	1,556,204	1,257,560
	2,803,328	-	2,803,328	2,359,121
Net Assets				
Invested in capital assets	-	2,608,288	2,608,288	2,230,945
Restricted (note 7)	822,289	-	822,289	889,045
Unrestricted	613,981	-	613,981	554,937
	1,436,270	2,608,288	4,044,558	3,674,927
	$ 4,239,598	$ 2,608,288	$ 6,847,886	$ 6,034,048

On behalf of the Board:

Director

Director/CFO

See accompanying notes to financial statements

Northlands College
Statement of Operations
for the year ended June 30, 2003

	2003 Budget (Note 8)	2003 Operating	2002	2003 Capital	2002	2003 Total	2002 Total
Revenues (Schedule 1)							
Provincial government	$ 8,417,556	$ 8,527,022	$ 8,820,111	$ 591,467	$ -	$ 9,118,489	$ 8,820,111
Federal government	60,000	65,380	958,381	-	-	65,380	958,381
Other revenue	3,182,880	3,722,730	2,678,900	-	-	3,722,730	2,678,900
Total revenues	11,660,436	12,315,132	12,457,392	591,467	-	12,906,599	12,457,392
Expenses (Schedule 2)							
Agency Contracts	2,556,756	2,526,820	3,305,187	-	-	2,526,820	3,305,187
Amortization							
Equipment	333,103	-	-	363,279	305,950	363,279	305,950
Facilities	261,144	280,621	202,825	-	-	280,621	202,825
Information Technology	1,173,370	1,156,524	781,447	-	-	1,156,524	781,447
Operating (Schedule 3)	98,041	112,744	-	-	-	112,744	-
Personal services	1,737,724	1,758,070	2,119,639	-	-	1,758,070	2,119,639
Total expenses	6,237,644	6,338,910	5,928,168	-	-	6,338,910	5,928,168
	12,397,782	12,173,689	12,337,266	363,279	305,950	12,536,968	12,643,216
Excess(Deficiency) of revenues over expenses	$ (737,346)	$ 141,443	$ 120,126	$ 228,188	$ (305,950)	$ 369,631	$ (185,824)

See accompanying notes to financial statements

Northlands College
Statement of Changes in Net Assets
for the year ended June 30, 2003

	2003				2002
	Invested in capital assets	Restricted	Unrestricted	**Total**	Total
Excess(Deficiency) of revenue over expenses	$ 228,188	$ -	$ 141,443	**$ 369,631**	$ (185,824)
Net assets, beginning of year	2,230,945	889,045	554,937	**3,674,927**	3,860,751
Interfund transfers:					
Invested in capital assets	149,155	(257,972)	108,817	-	-
Unrestricted	-	-	-	-	-
Externally imposed restrictions	-	-	-	-	-
Internally imposed restrictions	-	191,215	(191,215)	-	-
Net assets, end of year	$ 2,608,288	$ 822,288	$ 613,982	**$ 4,044,558**	$ 3,674,927

Restricted details: (note 7)

	Beginning Balance	To Restricted	From Restricted	Ending Balance
Externally Restricted				
	-	-	-	-
	-	-	-	-
Internally Restricted				
Capital Equipment Purchase Reserve	25,000	-	17,700	7,300
Building Capital Reserve	200,000	50,000	-	250,000
Building Maintenance Reserve	145,250	50,000	73,500	121,750
Information Technology Reserve	119,830	-	46,675	73,155
Training and Education Reserve	398,965	91,215	120,097	370,083
	889,045	191,215	257,972	822,288
Total Restricted	$ 889,045	$ 191,215	$ 257,972	$ 822,288

See accompanying notes to financial statements

Northlands College
Statement of Cash Flows
for the year ended June 30, 2003

	2003	2002
Cash flows (Deficiency) from operating activities		
Excess of revenues over expenses	$ 369,631	$ (185,824)
Amortization of capital assets	363,279	305,950
	732,910	120,126
Changes in non-cash working capital		
(Increase) in accounts receivable	(183,025)	(122,594)
(Increase) in prepaid expenses	(8,042)	(4,250)
(Decrease) in accrued salaries and benefits	(163,918)	26,768
Increase in accounts payable and accrued liabilites	309,481	160,038
Increase in unearned revenue	298,644	226,951
Cash provided from operating activities	986,050	407,039
Cash flows from investing activities		
Purchase of capital assets	(740,623)	(335,886)
Cash used in investing activities	(740,623)	(335,886)
Net increase (decrease) in cash and cash equivelants	245,427	71,153
Cash and cash equivelants, beginning of year	2,960,759	2,889,606
Cash and cash equivelants, end of year	$ 3,206,186	$ 2,960,759

See accompanying notes to financial statements

Northlands College
Notes to the Financial Statements
June 30, 2003

1. PURPOSE AND AUTHORITY

Northlands College offers educational services and programs under the authority of Section 14 of *The Regional Colleges Act*. The College Board plays an integral part in strategic direction and management guidance.

The purpose of the College is to provide credit and non-credit classroom and vocational training to meet the needs of regional constituents and industry. Northlands College is exempt from the payment of income tax.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles and include the following significant policies:

a) Fund Accounting

The accounts of the College are maintained in accordance with the principles of fund accounting. For accounting and reporting purposes, resources are classified into funds in accordance with specified activities or objectives:

(i) Operating Fund

The operating fund accounts for the College's program delivery, service and administrative activities.

(ii) Capital Fund

The capital fund reflects the net book value of all capital assets of the College after taking into consideration any associated long-term debt. The capital fund also includes contributions, interest and donations designated for capital purposes by the contributor. Also included in the capital fund are the appropriations for future capital expenditures.

b) Revenue Recognition

The College follows the restricted fund method of accounting for grants. Restricted contributions related to general operations are recognized as revenue of the operating fund in the year that the related expenses are incurred. Contributions restricted for capital assets are recognized as revenue of the capital fund when received or receivable.

Unrestricted operating contributions are recognized as revenue of the operating fund when received or receivable. Tuition and fee revenue is recognized as the course of instruction is delivered. Revenue from contractual services is recognized as the service is delivered.

c) **Capital Assets**
Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution.

Capital assets are amortized on a straight-line basis over their estimated useful lives and is reported as an expense in the capital fund as follows:

Buildings	10 to 20 years
Furniture and equipment	3 to 10 years
Leasehold improvements	Term of lease or useful life

d) **Cash and Cash Equivalents**
Cash and cash equivalents are represented by cash on hand and balances with banks.

3. ACCOUNTS RECEIVABLE

Accounts receivable are composed of the following:

	2003 $	2002 $
Saskatchewan Learning	$ 65,491	$ 164,232
Other	924,574	642,808
	$ 990,065	$ 807,040

4. CAPITAL ASSETS

	Cost $	Accumulated Amortization $	2003 Net Book Value $	2002 Net Book Value $
Land	37,359	-	37,359	11,504
Buildings	3,983,731	1,894,424	2,089,307	1,840,966
Furnishings & Equipment	1,173.368	1,036,871	136,497	156,270
Leasehold Improvements	444,092	98,967	345,125	222,205
	$ 5,638,550	$ 3,030,262	$ 2,608,288	$ 2,230,945

5. ACCOUNTS PAYABLE & ACCRUED LIABILITIES

Accounts payable are composed of the following:

	2003 $	2002 $
Government of Saskatchewan – other	86,635	109,353
Federal Government	127,542	-
Other	554,667	350,010
	$ 768,844	$ 459,363

6. UNEARNED REVENUE

Unearned revenue consists of transfers received to carry out specific activities in excess of the expenses incurred on those activities at the end of the fiscal year as follows:

	2003 $	2002 $
Saskatchewan Learning	$1,157,236	$1,017,050
Federal Government	10,472	46,921
Other	388,496	193,289
	$1,556,204	$1,257,560

7. RESTRICTIONS ON NET ASSETS

The Board of Directors of Northlands College have placed internal restrictions on $822,289 (2002 – $889,045) of unrestricted net assets to be used for various purposes as indicated on Statement 3.

External restrictions have not been placed on net assets used by Northlands College.

8. BUDGET AMOUNTS

The budget amounts on these financial statements were prepared by Regional College Management and approved by the Board on May 16, 2002. The Minister approved the budget on June 28, 2002.

9. RELATED PARTY TRANSACTIONS

These financial statements include transactions with related parties. The College is related to all Saskatchewan Crown Agencies such as departments, corporations, boards and commissions under the common control of the Government of Saskatchewan. Also, the College is related to non-Crown enterprises that the Government jointly controls or significantly influences.

Routine operating transactions with related parties are recorded at the rates charged by those organizations and are settled on normal trade terms.

	2003	2002
SaskTel	$ 105,418	$ 107,524
SaskPower and SaskEnergy	63,000	60,288
Saskatchewan Property Management Corporation	543,789	589,149
University of Regina	25,617	33,114
University of Saskatchewan	25,734	8,454
	$ 763,558	$ 798,529

The College receives long distance telephone service between major centres from SaskTel, a related party, at reduced rates available to government agencies.

The College brokers course programs from Saskatchewan Institute of Applied Science and Technology (SIAST) based on negotiated rates. The amount expended during the year amounted to $1,119,521. As at year-end, $540 (2002 – $180) was receivable from and $86,634 (2002 - $40,197) was payable to SIAST.

10. FINANCIAL INSTRUMENTS

The College's significant financial instruments consist of accounts receivable, accounts payable, and accrued benefits.

a) The carrying amount of cash and temporary investments, accounts receivable, accounts payable and accrued benefits approximate fair value due to the short-term maturity of these instruments. There are no significant terms or conditions related to these financial instruments that may affect the amount, timing or certainly of future cash flows.

b) The College is exposed to credit risk from the potential non-payment of accounts receivable. The majority of the College's receivable are from the provincial and federal government, therefore, credit risk is minimal.

11. EMPLOYEE FUTURE BENEFITS

Employees of the College participate in one of three pension plans. Teachers and other employees holding a teaching certificate participate in a defined benefit plan, either the Teachers' Superannuation Plan (TSP) which is administered by the Teachers' Superannuation Commission or the Saskatchewan Teachers' Retirement Plan (STRP) which is administered by the Saskatchewan Teachers' Federation. The College has no financial obligation to TSP or STRP. Eligible employees contribute to TSP or STRP for their current service. No matching contribution is made by the College. The General Revenue Fund is responsible for the financial obligations of the TSP. All other employees participate through the Municipal Employees Pension Plan (MEPP), which is a multi-employer defined benefit plan. Pension expense for the year amounted to $175,849 (2002 - $163,777).

12. LEASE AGREEMENTS

The College is currently leasing certain land and buildings under leases that expire at various dates to May 1, 2024. Annual rentals under the leases for each of the next five years are as follows:

2004	-	$375,126
2005	-	$375,126
2006	-	$375,126
2007	-	$375,126
2008	-	$375,126

13. MEASUREMENT UNCERTAINTY

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reported period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

14. COMPARATIVE INFORMATION

Certain 2002 balances have been reclassified to conform with the current year's presentation.

15. FOUNDATION

Northlands College established a charitable foundation called "Northlands College Foundation Scholarship Incorporated" for the purpose of advancing education by recognizing student scholastic achievement through the provision of scholarships. The foundation will be operational in 2003-04.

Schedule 1

Northlands College
Schedule of Operating Fund Revenues by Function
for the year ended June 30, 2003

	2003								2003	2003 Budget (Note 8)	2002
	General	Skills Training		Basic Education		University	Services				
		Credit	Non-credit	Credit	Non-credit	Credit	Learner Support	Counsel	Total	Total	Total
Provincial Government											
Saskatchewan Learning											
Operating grant	$ 3,290,930	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 3,290,930	$ 3,724,644	$ 3,876,381
Program payments	274,480	2,263,502	153,061	898,639	647,768	-	243,136	85,576	4,566,162	3,880,752	4,729,314
Other	561,022	-	-	-	-	-	-	-	561,022	812,160	214,416
	4,126,432	2,263,502	153,061	898,639	647,768	-	243,136	85,576	8,418,114	8,417,556	8,820,111
Other Provincial	-	58,425	-	14,744	35,739	-	-	-	108,908	-	-
	4,126,432	2,321,927	153,061	913,383	683,507	-	243,136	85,576	8,527,022	8,417,556	8,820,111
Federal Government											
Admin recovery	3,824	-	-	-	-	-	-	-	3,824	6,000	125,187
Seat purchases	-	-	-	-	-	-	-	-	-	-	744,817
Projects	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	61,556	-	-	-	61,556	54,000	88,377
	3,824	-	-	-	61,556	-	-	-	65,380	60,000	958,381
Other Revenue											
Admin recovery	232,340	-	-	-	941	-	-	-	233,281	230,988	105,348
Contracts	12,777	467,219	21,809	219,852	364,153	200,067	100,769	-	1,386,646	1,600,653	794,399
Interest	99,795	-	-	-	-	-	-	-	99,795	150,000	107,899
Rents	28,000	-	-	13,726	2,459	11,023	141,316	-	196,524	92,908	190,077
Resale Items	1,000	112,288	348	2,552	589	25,702	-	-	142,479	85,842	129,180
Tuitions	-	432,937	17,305	270,169	58,130	56,579	-	-	835,120	455,972	545,740
Other	672,040	71,747	-	430	19,229	37,937	27,502	-	828,885	566,317	806,259
	1,045,952	1,084,191	39,462	506,729	445,501	331,308	269,587	-	3,722,730	3,182,880	2,678,900
Total revenue	5,176,208	3,406,118	192,523	1,420,112	1,190,564	331,308	512,723	85,576	12,315,132	11,660,436	12,457,392
Total operating expenses (Schedule 2)	3,697,023	3,449,129	191,941	1,412,669	1,200,764	520,358	1,084,427	617,378	12,173,689	12,064,679	12,337,266
Excess (deficiency) of revenues over expenses	$ 1,479,185	$ (43,011)	$ 582	$ 7,443	$ (10,200)	$ (189,050)	$ (571,704)	$ (531,802)	$ 141,443	$ (404,243)	$ 120,126

See accompanying notes to financial statements

Schedule 2

Northlands College
Schedule of Operating Fund Expenses by Function
for the year ended June 30, 2003

	2003								2003	2003 Budget (Note 8)	2002
	General	Skills Training		Basic Education		University	Services				
		Credit	Non-credit	Credit	Non-credit	Credit	Learner Support	Counsel	Total	Total	Total
Agency Contracts	$ 115,773	$ 1,738,814	$ 119,170	$ 100,712	$ 119,196	$ 222,216	$ 91,874	$ 19,065	**$ 2,526,820**	$ 2,556,756	3,305,187
Equipment	102,857	63,941	5,270	30,682	20,929	17,328	16,226	23,388	**280,621**	261,144	202,825
Facilities	476,327	149,030	250	139,666	47,551	27,786	298,739	17,175	**1,156,524**	1,173,370	781,447
Information Technology	78,552	20,356	-	2,987	3,739	1,107	6,003	-	**112,744**	98,041	-
Operating (Schedule 3)	544,949	654,848	16,606	156,563	182,604	71,537	96,349	34,615	**1,758,070**	1,737,724	2,119,639
Personal services	2,378,565	822,142	50,644	982,059	826,744	180,384	575,236	523,135	**6,338,910**	6,237,644	5,928,168
	$ 3,697,023	$ 3,449,129	$ 191,941	$ 1,412,669	$ 1,200,764	$ 520,358	$ 1,084,427	$ 617,378	**$ 12,173,689**	$ 12,064,679	12,337,266
			$ 3,641,070		$ 2,613,433			$ 1,701,805			

Schedule 3

Northlands College
Schedule of Operating Expenses
for the year ended June 30, 2003

	2003	2003 Budget (Note 8)	2002
	Total	Total	Total
Advertising	$ 97,744	$ 83,383	$ 101,862
Association Fees & Dues	10,671	14,172	11,185
Bad Debts	(716)	23,383	(3,105)
Financial Services	450	281	182
In-Service	30,368	45,968	8,828
Insurance	69,695	53,577	52,061
Materials & Supplies	465,048	549,764	431,990
Printing & Copying	95,495	90,499	85,085
Professional Services	16,630	15,040	15,110
Resale Items	146,193	143,970	123,826
Subscriptions	4,873	5,919	7,723
Telephone/Fax	105,982	134,596	109,787
Travel	607,527	459,791	550,220
Other	108,110	117,382	624,885
	$ 1,758,070	$ 1,737,724	$ 2,119,639

See accompanying notes to financial statements

Northlands College
Personal Service Listing
for the year ended June 30, 2003
"Unaudited"

Listed are individuals(excluding unionized employees) who received $2,500 or more for salaries, wages, honorariums, and compensation for personal service.
This listing will included: Gross salary + gross bonus + honorariums + compensation for personal service = Personal Service.
(No travel reimburements, transfers or other expenditures will be included).

Daigneault, Joe	$	74,192
D'Amour, Denise	$	95,056
Gardiner, Louis	$	14,490
Gordon, Calla	$	75,491
Goulet, Ordean	$	74,538
Janvier, Emilien	$	4,130
Lennard, Jo-Anne	$	61,594
Mayotte, Peter	$	84,155
McCallum, Darrell	$	3,665
McLaughlin, Bill	$	112,729
Morin, Brian	$	6,770
Rediron, Sandy	$	4,510
Stenne, Gabriel	$	2,562
Walker, Gail	$	73,832
Wheeler, Therese	$	4,820
Unionized employees	$	4,449,868
Total	$	5,142,402

Northlands College
Supplier Payment Listing
for the year ended June 30, 2003
"Unaudited"

Listed are payees who received $20,000 or more for the provision of goods and services, including office supplies, communications, contracts, and equipment.

615385 Sask. Ltd.	$	52,002.00
All-Brite Electric	$	21,389.29
Assoc. of Saskatchewan Regional Colleges	$	26,192.60
ATAP Infrastructure Management	$	69,239.70
Blue Cross	$	193,089.31
Budget Flin Flon Downtown	$	23,307.72
Buffalo River Dene Nation	$	41,066.81
Cameco Corporation	$	21,802.00
Cypress Sales Partnership	$	55,869.41
Dell Computer Corporation	$	89,144.57
Don Wehage Trucking Ltd.	$	220,261.69
Flin Flon Home Hardware	$	23,322.18
Grand & Toy Ltd.	$	87,228.19
The Great-West Life Assurance	$	23,257.58
Hillcrest Inn Bed & Breakfast	$	25,250.50
Ile-a-la-crosse School Div.112	$	35,000.00
Martin Morin Logging	$	23,000.00
Meadow North Agencies Ltd.	$	30,740.20
Meyers Norris Penny	$	21,803.00
Minister of Finance	$	104,599.15
M.N.S. LTD.	$	27,491.00
New North-Sanc Services Inc.	$	20,000.00
Nightingale Nursing Group Inc.	$	51,273.73
Northern Grocers Inc.	$	47,111.86
Northway Janitorial Service	$	51,688.50
Northern Lights School Div.113	$	32,900.20
North West Sask. Metis Council	$	40,000.00
Peter Ballantyne Cree Nation	$	59,364.72
Receiver General for Canada	$	1,725,922.35
Ron's Plumbing & Heating	$	165,577.17
Royal Building Movers	$	25,412.50
Sask. Indian Institute of	$	40,708.56
Sask. Indian Federated College	$	126,128.41
Sask. Workers' Compensation	$	25,125.66
S.G.E.U.	$	68,424.20
SGEU Long Term Disability	$	45,982.38
SIAST Kelsey Campus	$	73,656.11
SIAST Wascana Campus	$	95,898.23
SIAST Woodland Campus	$	949,337.02
SIAST Woodland Campus Bookstore	$	147,929.85
Sask. Ltd. 101035818 T/A	$	66,350.00
Sask. Municipal Supperannuation	$	378,845.52
Sask Power	$	63,000.88
Sask. Property Management	$	567,112.76
Sask. Teachers' Federation	$	69,514.02
Sask Tel	$	105,743.44
The Star Phoenix	$	29,003.33
Superior Propane Inc.	$	90,881.70
Supreme Basics	$	39,219.42
Teachers Superannuation Fund	$	43,415.28
Technology Management Corp.	$	48,153.99
Transwest Air	$	87,064.80
University of Regina	$	25,619.79
University of Regina Bookstore	$	31,898.51
University of Saskatchewan UOFS	$	25,734.20
Watt Agencies Inc.	$	27,788.00
Woodland Cree-ISR	$	31,437.87
Zsar Holdings & MP Equities	$	201,630.00
Total	$	6,939,911.86